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## **Media Release** **April 16, 2012**

### **New Form on Biden's Website Helps Those Who Lost Homes to Foreclosure**

*Delawareans who were foreclosed upon could be eligible for payments up to \$2,000;  
Relief also available for existing homeowners under national foreclosure settlement*

**Wilmington** – Attorney General Beau Biden announced today that his office has posted a “Payment Eligibility Form” on its website that will help Delawareans who were foreclosed upon and may be eligible for a payment from the recent national mortgage foreclosure settlement.

As part of the settlement between 49 state Attorneys General, the federal government and five of the nation's largest servicing banks, individuals who lost their homes to foreclosure between January 1, 2008 and December 31, 2011 may be eligible to receive payments up to \$2,000. The foreclosed-upon mortgage must have been held by one of the five participating servicers – Bank of America Corporation, JPMorgan Chase & Co., Wells Fargo & Company, Citigroup Inc., and Ally Financial Inc. (formerly GMAC).

“Delaware homeowners who are suffering as a result of the housing crisis will see some real relief from this settlement, and we created this form to help make sure that everyone who is entitled to a payment receives it,” Attorney General Biden said.

The “Payment Eligibility Form” posted on [www.attorneygeneral.delaware.gov](http://www.attorneygeneral.delaware.gov) will help individuals who may qualify for a payout but are concerned that the national settlement administrator could have difficulty locating them at their current address. After it is completed and sent to Biden's office, the form will be forwarded to the settlement administrator. In the coming weeks, the administrator will begin sending claim forms to eligible individuals.

Overall, Biden secured \$45 million for Delaware in the settlement, including the \$2,000 payments to individuals who were foreclosed upon between January 1, 2008 and December 31, 2011. Delaware's additional financial benefits under the settlement are:

- More than \$32 million to current and former homeowners to reduce principal mortgage loans, extinguish second lien mortgage loans and waive deficiencies in short sales, and to provide refinancing to homeowners who are current on their mortgages but are otherwise unable to obtaining refinancing because they owe more than their homes are worth.
- Approximately \$10 million to Biden's office to fund homeowner assistance programs, educational outreach, support Delaware's new mortgage mediation program, and fund civil and criminal investigations and cases related to the foreclosure crisis.

Biden's office also led the negotiation effort to include new protections for military personnel in the settlement. These provisions include:

- Protections for servicemembers who are deployed to a new base, but are unable to sell a home near their former post because they owe more on the mortgage than the home is worth. Before the settlement, banks would not consider a servicemember's orders to move to a new base as a "hardship" that would allow them to be eligible for relief programs. The settlement terms now require the settling banks to make such personnel eligible for alternatives to foreclosure, such as loan modifications and short sales.
- An expansion of the federal Servicemembers Civil Relief Act (SCRA), a set of legal protections for military personnel whose origins date back to the Civil War. Career military personnel will benefit from key foreclosure protections that were previously only available primarily to reservists or members of the National Guard. Now, a servicemember stationed in a hostile fire zone and facing foreclosure by one of the settling banks will receive the benefit of the SCRA's protections regardless of whether the mortgage loan was obtained before or after the beginning of the homeowner's active duty service.
- Payments, negotiated by the Civil Rights Division of the United States Department of Justice, of more than \$115,000 each to any wrongfully foreclosed upon servicemembers.

The settlement stems from a joint state-federal investigation that was initiated in October 2010 amid widespread allegations of servicer misconduct, including "robosigning" of foreclosure documents by banks. The investigation found that bank misconduct "resulted in the issuance of improper mortgages, premature and unauthorized foreclosures, violation of service members' and other homeowners' rights and protections, the use of false and deceptive affidavits and other documents, and the waste and abuse of taxpayer funds."

Delawareans can obtain the latest information about the mortgage servicing settlement online at [www.attorneygeneral.delaware.gov](http://www.attorneygeneral.delaware.gov), [www.NationalMortgageSettlement.com](http://www.NationalMortgageSettlement.com) and [www.HUD.gov](http://www.HUD.gov). Delawareans can also call the Attorney General's Mortgage Hotline at 800-220-5424.

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